

ARIZONA *TAX NEWS*



Jane Dee Hull, Governor

Mark Killian, Director

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**This month's cover story is a copyrighted article by the
Associated Press regarding:**

"Supreme Court to Review Navajo Tax on Hotel Guests"

[Click here for the actual article](#)

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our Internet webpage

www.revenue.state.az.us

Arizona Department of Revenue Mission Statement

The purpose of the Arizona
Department of Revenue is to
promote voluntary compliance
with all tax obligations through
fair administration, firm
enforcement, and prompt and
courteous service in a manner
that justifies the
highest degree of public
confidence in our efficiency
and integrity.

**For more information about the TaxNews
call 602-542-3062 or toll free 1-877-863-0655.**

***** REMINDER *****

FOR NON-EFT TPT FILERS

To avoid a delinquency, postmark your December 2000 TPT return no later than January 25th or deliver to DOR no later than January 30, 2001.

SEPTEMBER Summary of General Fund Revenues

	<u>August 2000</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$216,313,558	\$516,121,899
Percent Change *	15.3%	11.6%
Corporate Income Tax		
Net Collections	\$151,137,752	\$178,611,806
Percent Change *	38.1%	40%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$243,983,596	\$738,678,854
Percent Change *	11.8%	9.4%
Total Big Three Tax Types		
Net Collections	\$611,434,906	\$1,433,412,559
Percent Change *	18.6%	13.3%

() Decrease from same month last year.

* Percent change from same month last year.

Individual Income Tax *Individual Income Tax Receipts*

	September 00	September 99	Change
Gross Collections	\$80,345,736	\$73,625,331	9.1%
Withholding	176,490,910	159,552,145	10.6
Refunds	(7,485,367)	(14,038,584)	(46.7)
Urban Rev Sharing	(33,037,720)	(31,475,916)	5.0
Net Collections	\$216,313,558	\$187,662,977	15.3
Fiscal Year Total			
	(99/00)	(98/99)	Change
Gross Collections	\$105,769,786	\$95,819,103	10.4
Withholding	553,279,424	505,333,162	9.5
Refunds	(43,814,152)	(44,380,269)	(1.3)
Urban Rev Sharing	(99,113,160)	(94,427,748)	5.0
Net Collections	\$516,121,899	\$462,344,248	11.6

Just a reminder that the daily interest rate will become 0.0002466 effective January 1st, 2001. The annual rate used for the 1st quarter will remain at 9% for all tax types, overpayments and underpayments.

TAX CALENDAR

JANUARY 2001

Due Date		For Period Ending
1	State Holiday - New Year's Day	All State Offices Closed
15	State Holiday - Martin Luther King, Jr./Civil Rights Day (Observed)	All State Offices Closed
16	Income Tax Returns:	9/30/00
	Form 120: Corporation	
	Form 140: Individual	
	Form 141: Fiduciary	
	Form 165: Partnership	
16	Form 120: Corporation with Automatic Extension	3/31/00
16	Form 120S: S Corporation	10/31/00
16	Form 99: Exempt Organization Annual Information Return	8/31/00
	Form 99T: Unrelated Business Income	
16	Form 120ES: Estimated Tax Payment, Corporation	
	First Installment	9/30/01
	Second Installment	7/31/01
	Third Installment	4/30/01
	Fourth Installment	1/31/01
22	Form TPT-1: Transaction Privilege Tax: December Monthly Filers, Quarterly and Annual Filers	12/31/00
22	Bingo: Financial Reports	12/31/00
22	Luxury Tax: Various Forms	12/31/00
25	EFT Form TPT-1 and Payment: Transaction Privilege Tax:	
	December Monthly Filers,	12/31/00
31	Form A1-QRT: Withholding Tax	12/31/00

Withholding Tax Payment Information:

If the average amount of Arizona income taxes withheld in the preceding four calendar quarters **exceeds** \$1,500 the employer must make its Arizona withholding payments to the Department of Revenue at the same time as the employer is required to make federal withholding deposits.

If the average amount of Arizona income taxes withheld in the preceding four calendar quarters **does not exceed** \$1,500 the employer must make its Arizona withholding payments to the department on a quarterly basis.

The Arizona Tax News is a monthly publication of the Arizona Department of Revenue. Information contained herein is of a general nature and is not designed to address complex issues in detail. Taxpayers requiring information concerning a specific tax matter should contact the appropriate office. This newsletter is available in alternative formats upon request by calling the telephone number shown below. Subscription information may be obtained from Tony Manzo at (602) 542-3062 or toll free 1 (877) 863-0655.

New Notice on Demand Penalty

We have a new penalty called the notice and demand penalty. This penalty takes effect after a taxpayer receives a notice from the department that resulted from an error or an audit adjustment. Taxpayers will pay a penalty of 1/2% per month starting on the 21st day after the date of the notice (not to exceed 10%).

All the tax types listed in ARS 42-1101 will be effected. This article applies generally to the administration of income tax, withholding tax, transaction privilege tax, telecommunication services excise tax, county excise taxes and any other privilege excise tax administered by the

department, severance tax, use tax, luxury tax, rental occupancy tax, estate tax, tax on water use and jet fuel excise and use tax.

- The new penalty statute in ARS 42-1125 takes effect on January 1, 2001.
- The late filing penalty is now 4.5% per month instead of 5% (not to exceed 25%).
- The late payment penalty is 1/2% per month up to a maximum of 10% instead of the old flat 10% penalty.

IRS Interest Rates (Over/Under Payments)

The Internal Revenue Service has announced that that interest rates for the calendar quarter beginning January 1, 2001 will remain the same for both underpayments and overpayments. Therefore our interest rates will remain at 9% for underpayments and will also remain at 9% for

overpayments.

Under the tax Reform Act of 1986, the rate of interest is determined on a quarterly basis. The overpayment/underpayment rates are now the same as we have conformed to the 1999 I.R. C., passed during the 1999 Legislative Session.

O.A.F.R. (Office of Alternative Fuel Recovery)

The Office of Alternative Fuel Recovery will begin operations on Monday December 18th. The office hours will be 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding State holidays.

Governor Hull signed an executive order on December 14th setting up the Recovery Office as the one location to answer the public's questions about the alternative fuel program.

A packet of information is being sent this week to everyone who has already signed up for the program. It will provide information and forms necessary to participate and the pertinent deadlines.

Office of Alternative Fuel Recovery

State Capitol, West Wing
1700 West Washington, Suite 103
Phoenix, Arizona 85007

Phone Number: 602-364-3401
Toll Free : 866-529-3961
Direct Fax: 602-364-3410
Demand Fax (forms): 602-364-3409

Software Vendors Who Have Met Approval

As Of
December 1, 2000

ATX Forms Inc
CCH Inc.
Creative Solutions
Deloitte & Touche
Exactax
H & R Block
Intuit
NELCO Inc.
STF Service Corp

Tax practitioners who are considering the use of a software package to prepare Arizona tax forms should verify with the Department of Revenue that the software considered has been approved. All tax forms must be approved by the department prior to usage. Each specific form must have approval. The following is a list of those software vendors that have met the Department of Revenue's approval for the 2000 income tax forms, various business forms and reports, and miscellaneous forms up to the print date of this issue.

<i>Individual Forms</i>					X			X	
131			X		X				
140 IA					X				
140					X		X		
140 Sch A		X	X			X	X	X	X
140A							X		
140PY					X		X		
140PY Sch A(PY)	X	X	X		X		X	X	X
140PY Sch A(PYN)	X	X	X		X	X	X	X	X
140NR						X			
140NR Sch A(NR)	X	X	X		X		X	X	X
140PTC			X				X	X	X
140X	X				X	X		X	
201			X					X	
202		X	X			X		X	
221			X		X		X		
<i>Business Forms</i>									
51		X							
120		X	X				X		
120A							X		
120S		X							
120S Sch K-1(NR)		X	X						
120ES			X	X					
120EXT		X	X						
120X		X	X						
122		X	X						
220		X	X				X		
165		X	X	X			X		
165- Sch K-1		X	X	X			X	X	
165 Sch K-1(NR)		X	X	X			X	X	

Continued On Page 5

Software Vendors Who Have Met Approval

As Of
December 1, 2000

	ATX Forms Inc	CCH Inc.	Creative Solutions	Deloitte & Touche	Exactax	H & R Block	Intuit	NELCO Inc.	STF Service Corp
<i>Other Forms</i>									
74								X	
76								X	
141		X	X						
141Sch K-1		X	X					X	
141 Sch K-1(NR)		X	X					X	
A-1R			X						
A1 QRT			X						
<i>Credit Forms</i>									
300		X	X						
301		X			X				
308		X	X						
309			X		X		X	X	
310			X				X	X	
313								X	
322		X	X					X	
323		X	X		X		X	X	
324		X	X		X		X	X	
325		X						X	
AZ-140V						X		X	
AZ-8453						X			

Please note: Some of the listed software packages do not provide sufficient room for the pre-printed label. Please cut the label to fit the available space or place it so that pertinent information is not covered.

Correction

In the November 2000 Arizona TaxNews, on page 6, in the section titled 2000 Transaction Privilege Tax Legislative Summary there is a summary for SB1055: County Juvenile Facilities (CH. 387). The summary states that counties have the authority to impose an excise tax or ad valorem tax for juvenile facilities if the majority of qualified electors approve it. This legislation does not do that. SB 1055 (Laws 2000, Ch. 387) - Appropriates \$100,000 from the state general fund in FY 2001-2002 to the county jail juvenile improvement fund for the construction of juvenile beds in county jail facilities.

2000 ARIZONA INCOME TAX FORMS BULK ORDER

Phone number: () <hr/> Name: <hr/> Address: <hr/> City/State/ZIP <hr/>	Instructions for ordering: Please fill in the name and address for shipping. Indicate the number of forms requested on the lines next to each form number. Add together the subtotals from each column and calculate the fees in the box at the bottom, based on \$8.00 per 100 forms or portion thereof (e.g. 101 forms is \$16.00).
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QTY	Form Number	QTY	Form Number	QTY	Form Number
_____	131	_____	140NR - I	_____	221
_____	140	_____	140NR Sch. A(NR)	_____	221 - I
_____	140 - I	_____	140ES	_____	141
_____	140 Sch. A	_____	140ES - I	_____	141 - I
_____	140A	_____	140 IA	_____	141 K-1
_____	140A - I	_____	140PTC	_____	141 K-1(NR)
_____	140EZ	_____	140PTC - I	_____	210
_____	140EZ - I	_____	140X	_____	74
_____	140PY	_____	140X - I	_____	76
_____	140PY - I	_____	200	_____	76GS
_____	140PY Sch. A(PY)	_____	201	_____	285
_____	140PY Sch. A(PYN)	_____	202	_____	51
_____	140NR	_____	204	_____	99 / 99T

_____ Subtotal	_____ Subtotal	_____ Subtotal
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QTY	Form Number	QTY	Form Number	QTY	Form Number	QTY	Form Number
_____	120	_____	120X - I	_____	305	_____	318
_____	120 - I	_____	122	_____	306	_____	319
_____	120A	_____	165	_____	307	_____	320
_____	120A-I	_____	165 - I	_____	308	_____	321
_____	120S	_____	165 K-1	_____	309	_____	322
_____	120S - I	_____	165 K-1(NR)	_____	309 - I	_____	323
_____	120S K-1(NR)	_____	220	_____	310	_____	324
_____	120ES	_____	220 - I	_____	312	_____	325
_____	120ES - I	_____	300	_____	313	_____	326
_____	120EXT	_____	301	_____	314	_____	327
_____	120W	_____	302	_____	315	_____	328
_____	120X	_____	304	_____	316		

_____ Subtotal	_____ Subtotal	_____ Subtotal	_____ Subtotal
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Total number of CDs _____ @ \$15.00	= \$ _____
Total number of Booklet X _____ @ \$8.00	= \$ _____
Total number of forms _____ @ \$8.00 per portion of 100	= \$ _____
GRAND TOTAL DUE	= \$ _____

State & Federal Tax Forms
Available on Compact Disc
1998, 1999 & 2000
State Forms Are Fillable

Make checks payable to: Arizona Department of Revenue. **Do not send cash!** Mail orders to FORMS, Arizona Department of Revenue, PO Box 29069, Phoenix AZ 85038-9069. Any orders with incomplete information, or those unaccompanied by proper payment will be returned. No refunds will be granted. Orders received after January 31, 2001 will be shipped within two days of receipt, via USPS. Out of stock items will be back-ordered and shipped separately. If you have any questions, call 602-542-1981 or 1-800-493-8080 (toll-free in Arizona).

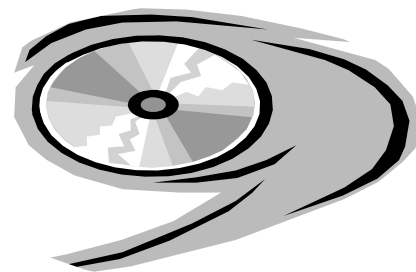
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